



The State of New Hampshire
Department of Environmental Services

Michael P. Nolin
Commissioner



**Notice of Meeting
Regional Greenhouse Gas Initiative
& Reduction Strategies for New Hampshire**

You are cordially invited to attend the fourth stakeholder meeting to discuss policy issues relative to reducing carbon dioxide (CO₂) emissions from power plants in New Hampshire. As you may know, the New Hampshire Department of Environmental Services (DES) and the New Hampshire Public Utilities Commission (PUC) are participating in the Regional Greenhouse Gas Initiative (RGGI) with eight other Northeast and Mid-Atlantic States. A major goal of RGGI is to develop a model regional cap-and-trade program (rule) to reduce emissions of CO₂ from power plants across the region.

What: **Fourth Stakeholder Meeting on the Regional Greenhouse Gas Initiative and Reduction Strategies for New Hampshire**

When: **Monday, September 12, 2005, at 1:30 PM**

Where: **PUC Offices
21 South Fruit Street, Suite 10
Concord, NH**

From I-89 take exit 2 (Clinton Street). Take a right at the end of the ramp to head towards Concord, then take a left at the traffic light by the Salvation Army (South Fruit Street). You will then turn at the fourth entrance on the right. The PUC is located in the Walker Building (State Office Park South).

Since October 2004, DES and the PUC have jointly held three stakeholder meetings to provide background information on requirements relative to CO₂ emissions reductions from power plants, the RGGI process, and initial modeling results. DES would like to convene a fourth meeting to discuss the latest results and to solicit comments on the draft RGGI proposal.

Please see reverse side for background information on RGGI.

For further information on the meeting, contact **Joe Fontaine, Trading Programs Manager** at jfontaine@des.state.nh.us or (603) 271-6794. Attendees should bring photo identification for building security purposes.

Background on RGGI Model Rule Development

What is RGGI?

The Regional Greenhouse Gas Initiative (RGGI or "ReGGIe") is a cooperative effort by nine Northeast and Mid-Atlantic states to design a regional cap-and-trade program initially covering carbon dioxide emissions from power plants in the region. In the future, RGGI may be extended to include other sources of greenhouse gas emissions, and greenhouse gases other than carbon dioxide.

How did RGGI get started?

In April 2003, New York Governor George E. Pataki sent letters to the 11 governors from Maine to Maryland, inviting their states' participation in discussions to develop a regional cap-and-trade program covering carbon dioxide emissions from power plants within two years. By July 2003, the Governors from Connecticut, Delaware, Maine, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont had agreed to have their representatives participate actively in the discussions. After discussions got underway, representatives from Maryland and Pennsylvania, as well as from the Eastern Canadian Provinces and the Province of New Brunswick, began observing the process.

The positive response from the Northeast and Mid-Atlantic governors was consistent with on-going state efforts. All of the Northeast and Mid-Atlantic states are in various stages of studying or implementing programs to reduce greenhouse gas emissions. The New England governors and the Eastern Canadian premiers issued a Climate Change Action Plan in August 2001, which calls for the reduction of greenhouse gases to 10% below 1990 levels by 2020. A regional cap-and-trade program will assist all participating states in reaching their specific goals for reducing greenhouse gases.

What is the goal of RGGI?

In September 2003, the environmental commissioners and many of the energy regulatory agency chief executives from participating states endorsed a RGGI action plan that sets out the following goal: Develop a multi-state cap-and-trade program covering greenhouse gas emissions. The plan will initially be aimed at developing a program to reduce carbon dioxide emissions from power plants in the participating states, while maintaining energy affordability and reliability and accommodating the diversity in policies and programs in individual states. The goal is to have an agreement on program design by April 2005 or sooner. After the cap-and-trade program for power plants is implemented, the states may consider expanding the program to other kinds of sources. The action plan also establishes guiding principles for the program design, including: emphasizing uniformity across the participating states; building on existing successful cap-and-trade programs; ensuring that the program is expandable and flexible, allowing other states or jurisdictions to join in the initiative; starting the program simply by focusing on a core cap-and-trade program for power plants; and focusing on reliable offset protocols (i.e., credits for reductions outside of the power sector) in a subsequent design phase.

How will participating states accomplish this goal?

To accomplish this goal by April 2005, the state staff representatives have created subgroups that have assumed specific tasks under the action plan. Subgroups report to the larger group of state staff representatives, which in turn reports to the state environmental and energy regulatory agency chief executives. The first phase of the action plan focuses on the design of the core cap-and-trade program covering the power sector. Initial tasks for this phase include: data gathering and technical analysis; model rule development; stakeholder process; monitoring NESCAUM northeast registry efforts; economic cost and benefit analysis; website development; and energy economic modeling. The subgroups have been meeting to carry out initial tasks since October 2003. The second phase, the design for which will commence in April 2005, will focus on reliable offset mechanisms that would give credit for verifiable and surplus emissions reductions outside the electricity sector.

How can stakeholders participate in RGGI?

Stakeholder involvement in the development of the program, both at the regional and state levels, is crucial to its success. Regional stakeholder involvement is comprehensive and includes the posting of draft documents on the RGGI website (www.rggi.org) for comment, stakeholder notification of important events through the Listserv located on this website, and the creation of a stakeholder group. The regional stakeholder group serves as an important sounding board for the RGGI staff representatives as the program is designed. In addition to this regional stakeholder process, each state plans to implement its own state-specific stakeholder process as appropriate. States are supplementing the regional stakeholder group process by bringing back information and disseminating it to state stakeholder groups at the local level through meetings, state website postings, and other communication opportunities.